



August 10, 2022

Robert Jackson  
Branch Chief, Construction Center 4  
U.S. General Services Administration  
Public Building Services  
National Capital Region (R11)

**RE: General Services Administration (GSA) 1800 F Collocation, Auditorium, and Childcare Center Project (Contract No. 47PM1119C00006) Summary Report**

Dear Mr. Jackson,

Thank you for the opportunity to present a summary of the 1800 F Collocation, Auditorium, and Childcare Center Project ("1800 F Street Project") to enable us to remediate my small business and honor our financial obligation to subcontractors, vendors, and other construction stakeholders. As a successful Small Business Administration ("SBA") 8(a) Program graduate, our delivery of design build construction services and past performance with the General Services Administration ("GSA") made us an ideal company to mentor a woman-owned small business in the sheltered, SBA Competitive 8(a) 1800 F Street contract. In good faith, we made every effort to restore or improve each of the areas at GSA that included the Childcare Center, Auditorium, Fitness Center, Men's and Women's Locker Rooms, and Collocated Office Spaces throughout the building.

Prior to bidding on the project, we understood the government's priorities and aggressive schedule to ensure the successful relocation of over 1,000 employees and urgency of meeting inspection guidelines in a timely manner to reopen the Child Care Center and Auditorium by the Fall of 2019. Our original estimated budget to renovate the spaces in the historically registered 1800 F Street building was \$5,611,948.00. Because the design/build contract required the development of design documents based on the 1800 F Street Project Narrative, Design Intent Documents (DID), and Scope of Work (SOW), we accepted the request to proceed with the contract basics that were under the sole sources ceiling of \$4.0 million to accommodate the governments urgency. It was understood by all parties that a well-thought design and work approval process would capture the actual cost of the project enhancements and any necessary changes.

As documented in the addenda to this letter and summarized in the matrix below, MOTIR acted on behalf of the government and trusted the governments pre-award and subsequent requests to focus on getting the work done to meet mission-critical milestones. We were repeatedly assured that the design review and change log process would capture and approve all work and that our company would be made whole. MOTIR continued to bear the growing financial strain, experience performance duress keeping the aggressive timeline, and operate under constant pressure caused by threatening procedural Letters of Concern, a call for a Global Settlement, debarment that was later reversed, and descoping and rescoping of the project until GSA Contracting and Construction leaders intervened.



### CAC-MOTIR GSA 1800 F Street Project Progress Summary

No.	Status	Description	Impact on MOTIR
1.	<b>Contract Award and Start</b>	<ul style="list-style-type: none"> <li>From the submission of the original CAC-MOTIR proposal to receiving the Notice of Award and starting this project, I trusted the reimbursement assured me by the government, secured bonding when my teaming partner was unable to do so jointly, and funded the contract start through MOTIR's \$2.0 million dollar line of credit for its entire company.</li> <li>Despite having well-thought processes in place to review designs, pre-approve work, log approved changes, and reimburse costs, GSA's pay application process and payments never kept pace with the project demands.</li> <li>I learned three to four months after the project start that there were issues with my Project Manager that resulted in the receipt of a Letter of Concern, sub-contractors walking off the job, and a Notice to Cure to terminate the contract.</li> <li>Unfortunately, this project deteriorated from a collaborative government-government contractor partnership to modernize key areas of GSA headquarters into a very convoluted engagement.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Before beginning this project as a CAC-MOTIR Joint Venture (JV) teaming partner, Motir Services, Inc. ("MOTIR") was a strong company with a twenty-five (25) year history delivering support services in the government and private sectors.</li> <li>✓ We proceeded to support this SBA approved project despite learning that our teaming partner did not have the financial means to support the project, secure bonding, or contribute funding as a small, woman-owned business.</li> <li>✓ MOTIR made payments to subcontractors from its line of credit to subcontractors and work continued.</li> </ul>
2.	<b>Contract Challenges</b>	<ul style="list-style-type: none"> <li>The complicated engagement within the early months of the project persisted throughout the project.</li> <li>Issues related to construction in a historically-registered property, the unscrupulous acts of JV project leaders, and the normal realities of construction further exacerbated the strained project.</li> <li>Within the first weeks of the project lead abatement in the Childcare Center and removal of multiple layers of asbestos tile in the men's and women's locker rooms near the fitness center were discovered.</li> <li>All of these challenges impacted the construction schedule, threatened regulatory inspection deadlines, added changes to the scope of work, and increased project costs.</li> <li>Because the government was intimately involved in every detail of the project, engaged us and our subcontractors, and had appropriate approval processes in place, I continued to honor my commitment and authorized my team to do whatever was necessary to meet mission-critical deadlines and focus on completing the work.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Onsite placement of MOTIR Senior Executive to serve as the President's representative support the onsite team, engage GSA 1800 F Street Project Executives who worked onsite with CAC-MOTIR staff, Sub-Contractors, Vendors, and GSA.</li> <li>✓ Construction Managers were hired to ensure that no unrecoverable missteps were made.</li> </ul>

3.	<b>Contract Milestones</b>	<ul style="list-style-type: none"> <li>• After responding to the Notice to Cure, we began aggressive work with the support of my Senior Executive and Construction Management Team.</li> <li>• All major milestones were met in the Childcare Center were met including construction, FFE and critical life safety and occupancy inspections passed.</li> <li>• Considerable progress was made, HVAC obstacles were addressed and overcome in the auditorium meeting 508 compliance standards including the lift for individuals with disabilities.</li> <li>• Government processes were working and continued the asbestos removal and demolition of the Men's and Women's Locker Rooms to begin completing the renovation.</li> <li>• The design approval process was underway and a plan for starting the remodeling in the Collocated Office Spaces was beginning.</li> <li>• Everyone was focused on the mission and working smoothly.</li> <li>• Everyone was aware that timely payments and addressing the change log would be orders for materials, subcontractor payments, and project needs to be covered.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Considerable progress was made organizing the project and the Child Care Center and Auditorium were ready for use.</li> <li>✓ GSA collaborated with our team to get a couple of significant payments made through the Pay Application process.</li> <li>✓ MOTIR was feeling the financial strain of the project yet continued the aggressive schedule because I trusted that with the government having full knowledge of every detail in the project would make me whole.</li> <li>✓ Tensions were easing as the government and our team were working together positively and productively.</li> </ul>
4.	<b>Global Settlement</b>	<ul style="list-style-type: none"> <li>• Unfortunately, within days of these critical milestones being achieved, CAC-MOTIR was sent a request to provide a global settlement by October 27, 2019. As the same time that we were working to get the</li> <li>• A Global Settlement request for equitable adjustment was made for \$3,392,733.00 that included change estimates, remaining contract costs and the difference between the estimated budget and actual project costs.</li> <li>• After a few weeks without any invoiced payments of Pay Applications nor response to the Global Settlement, an update and request was made for payment to CAC-MOTIR.</li> <li>• It was then that a notice was received regarding MOTIR and thereby CAC-MOTIR being debarred and concurrently descope.</li> <li>• The equitable adjustment was later reduced to account for the Collocation costs that were reduced as a result of the descope to \$3,100,546.40.</li> <li>• Concurrently, other government customers pulled contracts because of the debarment making financial matters worse.</li> </ul>	<ul style="list-style-type: none"> <li>✓ MOTIR was financially constrained trying to balance payments to order materials and pay subcontractors.</li> <li>✓ Strife began to build between GSA Staff and CAC-MOTIR over concern for the timeline.</li> <li>✓ CAC-MOTIR was under duress for responding to Letters of Concerns, negotiating and renegotiating orders to ensure the ability to keep subcontractors engaged and keeping the weekly schedule was extremely difficult.</li> </ul>



5.	<b>GSA Leadership Intervention and Path to Completion</b>	<ul style="list-style-type: none"> <li>• GSA Contracting and Construction Leadership intervened to address CAC-MOTIR's please for payments to ensure that the project was progressing.</li> <li>• In meetings on December 17, 2019, GSA made commitments to collaborate with us to get payments made for the construction for existing pay application reimbursements and return of the retainage.</li> <li>• Unfortunately, GSA was brings a new electronic payment system online that delayed these payments for over three weeks.</li> <li>• Subcontractors stopped work and began making demands on the project.</li> <li>• Because of the pandemic, work stopped and since then the building use at GSA has been greatly reduced.</li> <li>• GSA rescoped all of the work to CAC-MOTIR and our teams continued to do work after a few months to complete the work as funding allowed.</li> </ul>	<ul style="list-style-type: none"> <li>✓MOTIR crawled to get work completed on the project.</li> <li>✓MOTIR was unable to make payments to Subcontractors were threatening to stop work again.</li> <li>✓Despite GSA commitments and efforts, payment was delayed.</li> <li>✓Subcontractors stopped work and began contacting the bonding company.</li> <li>✓The bonding company began threatening to take over the project.</li> <li>✓MOTIR hired a team of Construction Management consultant to provide a legitimate schedule, perform a forensic audit of the project, and move the work forward.</li> </ul>
6.	<b>Closeout and Final Path Forward</b>	<ul style="list-style-type: none"> <li>• The current status of the project is that the construction of all areas of the project are completed. areas at GSA that included the Childcare Center, Auditorium, Fitness Center, Men's and Women's Locker Rooms, and Collocated Office Spaces throughout the building.</li> <li>• There is 100% completion of the collocated office spaces including the HVAC and Fire Alarm systems.</li> <li>• GSA passed fire alarm life safety inspections.</li> <li>• The remaining tasks are walkthrough punch lists and signage.</li> <li>• Despite the management changes and crisis level duress of the project for all stakeholders, the construction has been completed with only final walkthroughs to deliver the project back to GSA.</li> </ul>	<ul style="list-style-type: none"> <li>✓MOTIR is financially at a point of ruin, in critical debt and challenged to pay staff, subcontractors, vendors.</li> <li>✓Without a payment from the government, MOTIR will face financial ruin.</li> <li>✓MOTIR's only hope in satisfying debt, paying subcontractors and closing out the project is for GSA to settle its debt.</li> </ul>
7.	<b>Government Benefit &amp; Final Settlement</b>	GSA has received modernization of all areas at GSA in the 1800 F Street project including the Childcare Center, Auditorium, Fitness Center, Men's and Women's Locker Rooms, and Collocated Office Spaces throughout the building.	✓MOTIR The only hope to at satisfying debt, paying subcontractors and closing out the project is for GSA to settle its debt.



At the root of the tumultuousness endured throughout the life of this contract has been the insistence on applying the ***Design Build Firm Fixed Price*** contract structure. By the GSA Project Executive's own admission our company "never wanted" when he was communicating that work was being descoped from the project because of a 10-year-old debarment that he had discovered. While this applied debarment was decision was reversed, the fiscal impact was devastating. In this multifaceted, five-area construction project with an aggressive schedule in a historical building where lead and asbestos contamination were found and costly HVAC system replacement existed, the design review and approval processes were intended to capture changes and add-ons. The increasing project costs were communicated to the government throughout the process verbally during scheduled and unofficial onsite walkthroughs and discussed in weekly progress meetings. The government was aware of the potential changes and actual project needs that were above and beyond the basic project narrative, DIDs and SOW from the start. Perhaps a contract structure other than firm fixed price should have been used and would not financially cripple a small business.

We submitted a proposal response for the 1800 F Street Project once our estimators' project budget was determined to be below the sheltered, competitive 8(a) threshold of \$7.0 million dollars. At the government's request, we willingly reduced our budget to an amount under the sole source ceiling of \$4.0 million for the government's convenience. We trusted the commitment to make us whole through the design review and work approval process. As captured in significant detail in the attached plea for remedy from SBA (***Addendum A***), supported by the Global Settlement Request for Equitable Adjustment and Debarment-Based Descoping (***Addendum B***), and demonstrated by the Intervention by GSA Construction Leadership (***Addendum C***), the contract structure failed to reimburse the project costs in a manner that most small businesses could manage. While cost overruns that includes unforeseen project and personnel challenges, schedule adjustments, and change orders are distasteful, yet normal in construction, it is simply unacceptable that a small business honored its commitments to complete a construction project must seek legal remedy through the ***United States Court of Federal Claims*** to ensure that the government acts in good faith. Even the need to go through this process places an additional financial burden on a small business to prove fault. The government benefited from our work, knows the true project costs are above the firm fixed price award, and breached its contractual and verbal commitments to our company, and is not acting in good faith.

All areas of the modernization construction at GSA are completed including the Childcare Center, Auditorium, Fitness Center, Men's and Women's Locker Rooms, and Collocated Office Spaces throughout the building and the essential fire alarm and HVAC systems. We are now in the final stages of walkthroughs, punch lists, final signage, and minor tasks. We must be compensated for the work that was performed for the direct benefit of the government. Even with (1) process and procedural missteps by both parties, (2) management challenges from our construction and project managers, (3) unforeseen circumstances including a pandemic the shut the entire world down, (4) the realities of a working in a historical building, and (5) a process fraught with difficulty, we never stopped working to fulfill our commitment to the government. Our goals now are to avoid submitting a second request for equitable adjustment that will be our second and last opportunity to settle. If we are not able to settle, we will be forced us to proceed with filing for constructive changes for fair play and most importantly, not be able to repay the numerous subcontractors and vendors supported the project, remediate the bonding, and satisfy repayment of our line of credit to settle all of our affairs.



Our small company has been destroyed by this enormous debt and my family has been severely compromised. MOTIR will not survive without settlement of the government's debt incurred to modernize of areas of 1800 F Street at a small business concerns expense.

Referenced attachments and back-up documentation can be provided upon request due to the large file size. Please do not hesitate to call or email me directly if you have questions or need any additional information at (b) (6) or (b) (6) [@motirservices.com](mailto:(b) (6)@motirservices.com).

Sincerely,

(b) (6)

Emmanuel O. Irono  
Partner  
CAC-MOTIR Joint Venture, LLC

Cc: Shanta Cardiel, U.S. General Services Administration  
Shuraie Mackin, U.S. Small Business Administration  
Pamela Mannion, U.S. Small Business Administration  
U.S. Representative Anthony Brown